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PROBABLE DEVELOPMENTS IN SOUTH ASIA

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PROBABLE DEVELOPMENTS IN SOUTH ASIA[1]

THE PROBLEM

To estimate probable trends in South Asia in the absence of general war, particularly with respect to: (a) the prospects for the survival of non-Communist governments in India and Pakistan; (b) relations between India and Pakistan; and (c) relations of the governments of the area with the Soviet Bloc and the West.

CONCLUSIONS

1. The present non-Communist regimes of India and Pakistan are likely to remain in power at least for some years to come.

a. In India, Nehru's personal position is virtually unshakable. His Congress Party is still far stronger than any opposition party or probable coalition of such parties and has an excellent chance of being returned to power in the next general elections in 1957. The Communists are not now a serious threat to the regime.

b. In Pakistan, political power and influence remain concentrated in the hands of a few Muslim League leaders, who enjoy the support of the military, and serious contenders for their power have not as yet emerged.

2. However, both countries have problems of economic, social, and political backwardness which they will find difficult to solve and which if not effectively dealt with may ultimately undermine the stability of their governments.

3. India has a grave economic problem because of the high and increasing ratio of population to developed economic resources. The current five year development program cannot be executed without substantial foreign aid, and even with such aid successful execution is not certain. At best, moreover, most of the gains contemplated under the present program will be absorbed by population increases. Even if the present plan succeeds, India will still face the formidable task of accelerating economic growth to a point where employment opportunities and production are increasing more rapidly than population.

4. Prospects for any marked strengthening of Pakistan's economic position are also poor. The current slump in the world demand for jute and cotton has

[1] This estimate is principally concerned with the two major countries of the area, India and Pakistan, but also considers probable developments in the other mainland states, Afghanistan, Nepal, and Bhutan, insofar as they bear on the situation in India or Pakistan or otherwise affect US security interests in South Asia. Ceylon is not included in the estimate in view of its lack of close involvement in the affairs of the mainland states and the specialized nature of the problems it presents for US security interests.

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forced curtailment of Pakistan's economic development program and has weakened Pakistan's foreign exchange and fiscal position at a time when the country faces a serious food grain shortage. Pakistan will find it difficult to reduce its dependence on jute and cotton because of the unavailability of other crops of comparable long-run earning power and because of its low potential for industrial development.

5. A formal settlement of the Kashmir dispute at any early date remains unlikely. However, the recent improvement of relations between India and Pakistan makes it probable that further progress will be made toward resolving other outstanding disputes, and Pakistan may eventually acquiesce in the partition of Kashmir along present lines. There is little likelihood of a resumption of hostilities between India and Pakistan.

6. The dispute between Afghanistan and Pakistan over the status of the latter's Pathan tribesmen is likely to continue indefinitely, although it is unlikely to lead to war.

7. India will almost certainly maintain its present position of non-alignment in the East-West struggle, regardless of Soviet or Western actions, so long as it does not believe its own interests to be directly threatened. Although it would do its utmost to counter Communist attack on its own territory or on Nepal or Bhutan, it would probably not assist in repelling Communist aggression against any other country except possibly Burma or Pakistan. India can be expected to continue its efforts to reduce East-West tensions and to establish itself as a leader among the self-governing Asian states.

8. Pakistan would probably be willing to provide the West with base rights and possibly with troop commitments in return for substantial military and economic aid and Western security guarantees.

9. Conclusion of a military assistance agreement between Pakistan and the West would be resented by India and increase tension in the subcontinent, but it would probably not result either in war between India and Pakistan or in a break between India and the West.

10. Afghanistan is friendly to the West but will remain committed to a policy of passive neutrality in view of its extreme vulnerability to Soviet military and economic pressures.

DISCUSSION

INTRODUCTION

11. The continued existence of South Asia as part of the free world is important to US interests, principally because its loss to Communist control would be a serious psychological and political blow to the West. In addition, South Asia is of potential strategic and economic value to the West.

12. The destinies of the states of mainland South Asia are closely linked. They share a common heritage of former British rule or influence and face common problems of developing bases of political stability and overcoming social and economic backwardness. India and Pakistan are under additional political, economic, and military strain as a result of continuing controversy over the disposition of Kashmir, the division of irrigation waters in the Punjab, and various other problems resulting from the partition of British India. Afghanistan and Pakistan

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have a long-standing dispute over the status of Pakistan's Pathan tribesmen.

POLITICAL AND ECONOMIC SITUATION AND TRENDS

India

Present Situation

13. At present India enjoys a considerable degree of governmental stability. Prime Minister Nehru's personal leadership is unchallenged. His Congress Party holds almost three-quarters of the seats in the national parliament, has effective majorities in most of the state legislatures, and has managed to retain control in the remainder. Organizationally, the government is strong: the formerly autonomous princely states have been absorbed into the federal structure, central government authority over the states has been firmly established, and the administrative skills developed under the British Indian Civil Service have been effectively utilized. The security forces are loyal and capable of maintaining order.

14. However, in spite of this currently strong political position, India's present leaders will almost certainly, over the long run, experience increasing difficulty in maintaining their present high degree of prestige and power. Growing public consciousness of India's low standard of living and of the pressure on the economy caused by the high and increasing ratio of population to developed resources is arousing among nearly all classes popular discontent which is likely to become increasingly significant. Moreover, various elements in the population have special grievances. Refugees from Pakistan are generally dissatisfied with the government's resettlement and rehabilitation program. Students are dissatisfied with the jobs available to them. There is a sizable number of Hindu extremists who are unreconciled to the creation of Pakistan and to the government's secularism. Members of the old landowning aristocracy are embittered by loss of privileges and by the prospect of expropriation. There is considerable pressure for the establishment of linguistic states along the lines of the new state of Andhra, which the central government has reluctantly decided to set up for the Telegu-speaking areas of Madras state.

15. Moreover, the Congress Party organization is declining in effectiveness. At the local level, many Congress leaders are old-line party bosses who wish to retain the support of the landowning class. These leaders are reluctant to implement land reform and are increasingly out of touch with the aspirations and needs of the average citizen. Moreover, new leaders of ability are not in evidence. At the national level, the Congress Party suffers from being a heterogeneous mixture of reactionaries, middle-of-the-roaders, and moderate leftists held together chiefly by Nehru's personal prestige and leadership. In the event of Nehru's death, the internal divisions within the party would be accentuated, and would probably lead eventually to its breakup into right and left-wing elements.

Political Trends

16. Although popular support of the Congress Party will probably decline, the present government is virtually assured of retaining power until the next general elections in 1957. Moreover, barring major setbacks to the economy, it has an excellent chance of being returned to power in the central government and most of the states at that time.

17. Nehru himself is a major source of party strength, since his enormous personal prestige and popularity give the party a tremendous advantage in a country where the average voter has only the most fragmentary knowledge of political issues. Even if Nehru died, however, the Congress Party would probably be able to secure a plurality if not an absolute majority in the 1957 elections, provided that it held together. The various opposition parties have not only failed to produce any strong leader with a mass appeal comparable to that of Nehru but also lack well-developed political organizations capable of competing effectively with the Congress Party on a nationwide scale. The opposition

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group with the greatest popular support in the 1951–1952 elections, the Praja Socialist Party, has no immediate prospect for challenging the government. Rightist groups like the Bharatiya Jan Sangh and the Hindu Mahasabha, which favor a stronger policy toward Pakistan and generally appeal to the Hindu reactionary element, are unlikely to score more than local successes.

18. Nevertheless, India's stability and unity will continue to be seriously threatened by disappointment over the unrealized expectation that independence would insure the rapid solution of India's numerous problems, and by the divisive effect of regional, ethnic, religious, and linguistic differences.

The Communist Party

19. The Communist Party of India has only about 40,000 actual members and continues to be weak in material resources and plagued by internal dissension and confusion over tactics. Among industrial and transport workers, where Communist influence was once strong, the party still suffers from the popular reaction against its former policies of violence.

20. In the 1951–1952 general elections, by employing the popular front appeal and by concentrating on districts where the Congress Party was weak, the Communists and their allies won 27 out of 499 seats in the lower house of parliament. The six million votes mustered for Communist or Communist-backed candidates represented only 5 percent of the total cast, and even that amount probably included a high proportion of simple protest votes against the Congress Party regime. Nevertheless, the Communists and their sympathizers constitute the largest single opposition bloc in parliament and in four of the state legislatures. Although the Communists have not succeeded in exploiting their gains in the last elections to the extent that initially appeared possible, they may make further gains in the next elections. There is no present indication that they could gain control of the central government or even a place in a governing coalition, but they might possibly gain control of a few state governments.

21. The Communists have a capability for stirring up disorders in certain rural districts, notably in south India, where Communist guerrilla forces have in the past been active. It is also possible that the Communists might be able to elect enough party members or sympathizers to gain a significant influence in the local governments of these areas. The Communists might in addition be able to exploit conditions in Nepal, where discontent is widespread, where the ease of small-scale border crossings from Tibet facilitates assistance by the Chinese Communists, and where the primitive level of communications and administrative control makes subversion easier.

22. However, any Communist resort to insurgency or violence would almost certainly encounter vigorous government counteraction, and it is unlikely that the situation would get out of hand. The Indian Government has reasonably effective security forces and a loyal army at its disposal and has shown an increasing tendency to deal firmly with Communist subversion and violence. The government has also taken increased pains to guard India's northern borders and those of Nepal, and in the absence of extensive guerrilla operations supported from Communist China is unlikely to lose control of the situation there.

Economic Trends

23. In the long run, India's stability will depend to a large extent on the government's ability to cope with the fundamental economic problems which confront it. In part India's economic difficulties stem from the low rate of capital formation, maldistribution of wealth, primitive farming methods, incomplete utilization of land and water resources, and a complicated and archaic system of land tenure and crop financing. An even more important source of difficulty is that of population density. There are already far too many farmers for the arable land available, and the Indian industrial sector, though

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fairly large in absolute terms, is still too small to absorb more than a fraction of the surplus rural population. Of the approximately 70 percent of the working population dependent on agriculture, about a third are landless farm laborers who are unemployed for a large part of the year. The food production of the area now comprising India has long been inadequate to meet its needs, and India now imports grain at the rate of about 3.5 million tons a year. Moreover, the problems of underemployment and of maintaining current consumption levels are becoming more acute as a result of population growth averaging approximately 4.5 million persons, or about 1.2 percent, a year.

24. The Indian Government is making a start at attacking these problems by means of a Five Year Plan instituted in April 1951. The plan's primary objective is to increase food grain production by 7.6 million tons a year over the 1949–1950 level of 54 million tons, thereby reducing the need to spend foreign exchange on food imports. The plan also calls for an increase in cotton production to make Indian mills independent of foreign sources. A program of cottage industries is being set up to reduce rural unemployment. The plan includes a blueprint for land reform, embracing ceilings on individual land holdings, abolition of the extortionate *zamindari* system of rent collection, the development of farm cooperatives, and other changes. Only small public expenditures for industrial development are planned, and the government proposes to rely primarily on private initiative for further development of medium and large-scale manufacturing.

25. The program faces a serious shortage of funds, particularly in the form of foreign exchange needed to purchase irrigation equipment, farm machinery, and other critical items unavailable locally. Over the remaining three years of the program, the Indian Government expects to fall short of raising the funds needed to finance the plan by the rupee equivalent of about $750 million — or about 18 percent of the total plan budget — despite maximum use of available fiscal resources, including deficit financing. In terms of the plan's foreign exchange requirements, the Indians expect a deficit of $280–320 million a year even after allowing for the use of India's remaining sterling balances in excess of its bare needs for currency backing and working capital. Unless India succeeds in obtaining foreign assistance in overcoming these financial difficulties, important parts of the development program will almost certainly be curtailed.

26. Even with adequate financing, the program's success would be far from assured. While it appears to call for more modest increases in agricultural production than might theoretically be achieved, substantial progress in this central aspect of the program will depend on the government's ability to make the most of the limited administrative and technical skills at its disposal and, above all, on its ability to win effective cooperation from the peasants. Moreover, state authorities will probably continue to move slowly in carrying out land reform. Another drought might further delay the program, by forcing diversion of funds to food imports.

27. In any event, the present program represents only a limited first-stage attack on the difficulties which confront India. Even if the projected 11 percent increase in national income from 1951 to 1956 is achieved, much of it will be absorbed by an expected population increase of about 7 percent, leaving little margin for improving living standards or for financing further economic development. India's task is to accelerate economic growth to a point where employment opportunities and production are increasing more rapidly than population.

28. India's low rate of saving — now only about 5 percent of national income — severely limits economic growth. The Indian Government recognizes the importance of increasing the proportion of national income available for investment. By taxation, by restrictions on consumption and on unproductive accumulations of wealth, and by other measures, it hopes to achieve modest increases in the rate of productive saving during the Five Year Plan and further increases in suc-

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ceeding years, to the point where 20 percent of national income will be available for net public and private investment in 1967–1968 and thereafter. These goals, however, appear unrealistic. With most of India's population existing ~~level~~ at a bare subsistence level and with population increases tending to swallow up any increases in production resulting from the development program, it is most unlikely that the rate of saving could be raised from 5 percent to 20 percent in so short a period.

29. The government also plans a nationwide program of birth control. However, a significant reduction in population growth would require successful execution of a mass education program of imposing dimensions and difficulty. Actually, the rate of population growth is likely to increase in the short run as a result of public health measures.

30. India thus faces formidable economic problems. Failure to solve them would probably result in a continued slow decline in living standards and in an increasing sense of economic insecurity. These conditions would almost certainly stimulate increasing social unrest and might eventually have serious political repercussions. Popular confidence in the regime would be weakened if the regime fell conspicuously short of achieving the goals of the Five Year Plan.

Pakistan

Present Situation

31. The political situation in Pakistan gives promise of stability. With general popular consent, political power remains concentrated in the hands of a few top leaders in the Muslim League, the organization which assisted the late Mohammed Ali Jinnah in the creation of an independent Pakistan. There are no other significant political parties. The government has complete control of radio broadcasting facilities and has on occasion been able to exercise considerable influence over the press. The armed forces are adequate to maintain internal security, and their leaders appear disposed to work closely with the civilian leadership.

32. The Government of Pakistan has recently been strengthened as a result of Governor General Ghulam Mohammed's summary dismissal of Prime Minister Nazimuddin on 17 April. This move, which brought to the premiership Mohammed Ali, then Pakistan Ambassador to the US, represented a vigorous effort by a strong element within the Muslim League, spurred on by the permanent Secretary of the Defense Ministry and the Army Commander in Chief, to halt the decline in government effectiveness, strength, and popularity which had set in following Nazimuddin's installation in late 1951. Under Nazimuddin the Muslim League had become increasingly involved in personal and provincial rivalries, and the government showed growing weakness and opportunism in the handling of the serious problems which confronted it.

33. Pakistan's present leaders were particularly concerned about Nazimuddin's failure to take strong measures against religious extremists and their supporters in the Muslim League. This group opposed establishment of a modern secular state and was insisting that the new constitution now being drafted conform strictly to traditional Islamic law. The group also attempted to stir up popular opposition to the "unorthodox" sect to which Foreign Minister Zafrulla Khan belongs.

34. Dissatisfaction also arose over Nazimuddin's handling of the serious economic problems posed by the drought of 1951–1952, which confronted Pakistan with a substantial food grain deficit, and by the decline in the world demand for cotton and jute, which forced a reduction in Pakistan's gold and foreign exchange holdings to the bare minimum needed for currency backing and severely reduced the government's tax yields.

35. Additional dissatisfaction arose over the government's continued lack of success in obtaining a favorable settlement regarding Kashmir and other points of difference with India. Finally, the general tendency toward disunity and bickering was accentuated by the problem of allocating legislative representation under the new constitution between the isolated province of East Bengal, which contains over half the population and seeks a pro-

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portionate voice in national affairs, and West Pakistan, whose leaders are forced to concede East Bengal a special position but are reluctant to give it more political power than all the other provinces combined.

Political Trends

36. The recent shake-up in the Pakistan Government does not eliminate the problems and internal weaknesses which have confronted the regime. Rivalries within the Muslim League will almost certainly continue. The conservative mullahs, or religious teachers, will continue to be a potential source of trouble. Nevertheless, the new government has already made progress toward restoring the regime's prestige and appears to be providing the country with more vigorous and progressive leadership.

37. Any political struggles within the foreseeable future will almost certainly be confined to the Muslim League leadership. None of the opposition leaders or parties, including the small and immature Communist organization in Pakistan, shows any signs of developing into a serious political or subversive threat to the present leadership. The conservative religious elements appear to have no desire to function as a political party and moreover will find it difficult, in the face of determined governmental and military opposition, to resume even the limited-objective pressure group tactics they have employed in the past. Although top military leaders played a major part in the recent cabinet shake-up, we do not believe that they would seek to take over the government themselves except in the event of a default of progressive and energetic civilian leadership.

Economic Trends

38. Pakistan has a predominantly agricultural economy. Although there is some mining, the country has little industrial plant, and it still lacks many of the commercial services which before partition were furnished by the area now comprising India. Most manufactured goods must be imported. Jute and cotton exports have provided about three-quarters of the foreign exchange earnings and, through export duties, almost as high a proportion of the government's revenues. The country is therefore extremely vulnerable to changes in the world demand for these products. The area included in Pakistan has in past years produced a small food surplus, but grain production has fallen considerably below requirements during the last two years as a result of shortage of rainfall, and perhaps of some diversion of grain acreage to cotton and jute production.[2] While population density is great in East Bengal, population pressure does not at present constitute for Pakistan as a whole the major problem it does for India.

39. Pakistan has sought to build up its economy under a Six Year Development Plan instituted in 1951 and a supplementary Priority Plan under which certain more easily completed and immediately useful projects were pushed ahead during the first two years of the six-year period. Thus far the emphasis has been on developing transport, power, and manufacturing facilities to replace those which remained with India under partition. These plans have proved inadequate and are being revised to provide greater emphasis on increased agricultural production.

40. Although some progress will probably be made, prospects for any marked strengthening of Pakistan's economic position are poor. The development program will probably continue to be hampered by the administrative inefficiency which, together with inadequacies in the plan itself, has slowed progress to date. Moreover, the slump in world demand for jute and cotton has not only sharply reduced the funds available to the government for development purposes but has also cut down on the foreign exchange available for normal purchases abroad and on the funds available for

[2] The Pakistan Government has attempted to blame the grain shortage on India, charging the latter with diversion of excessive amounts of water from jointly utilized portions of the Punjab drainage system. However, the primary difficulty appears to have been an over-all shortage of water rather than any excessive Indian diversion. In any event, only limited areas of Pakistan depend on rivers and canals subject to Indian control.

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normal government operations. In dealing with the long-term implications of this problem, Pakistan faces a basic dilemma. So long as it continues its present emphasis on jute and cotton, its economic position will be precarious. On the other hand, since Pakistan lacks the resources for extensive industrial development, it can obtain greater diversification and stability in its economy only by concentrating on crops yielding lower returns over the long run than jute and cotton.

41. Pakistan's current food shortage is probably temporary, though the country will remain vulnerable to recurrent drought. Without substantial grain imports the food situation will become extremely serious during 1953.

MILITARY TRENDS IN INDIA AND PAKISTAN

42. India's military establishment consists of an army of approximately 400,000 men, including 6 infantry divisions, one armored division, an armored brigade group, and 8 independent infantry brigades; a navy of about 9,000 men equipped with one cruiser, 3 destroyers, and smaller escort and patrol vessels; and an air force of 14,000 men and 670 aircraft, including 85 jet fighters. Pakistan has an army of about 206,000 men, including 8 infantry divisions, an armored brigade, and an infantry brigade; a navy of about 5,000 men equipped with 3 destroyers and other escort and patrol vessels; and an air force of 9,000 men and 330 aircraft, including 30 jet fighters.

43. The military forces of India and Pakistan represent outgrowths of the military establishment developed under the former British Government of India. They have mainly British equipment, follow British tactical and organizational doctrine, retain some British officers in command as well as in advisory and instructor positions, and continue to send students to British military schools. Both officer corps are loyal to the existing regimes; morale and discipline are high; and combat effectiveness is fairly good. Both military establishments appear capable of coping with any internal security problem which might arise, including in the case of Pakistan that of controlling the Pathan tribesmen of the North West Frontier Province. Major improvement in Indian or Pakistan military capabilities is unlikely without substantial foreign assistance.

44. The primary external mission of each force is defense against the other, and most combat units of both forces are deployed along the common Indian-Pakistan frontiers. The greatest concentration is in the Punjab-Kashmir sector. Pakistan has one division and India somewhat larger forces in the Bengal area. India is superior in existing combat strength and supply facilities, has greater manpower resources and a stronger economic base for supporting a war effort, and enjoys certain terrain and strategic advantages. However, in the event of a war between the two countries, India would face logistic difficulties of its own and probably would not be able to subdue Pakistan without a long and mutually exhausting struggle.

45. Without major outside logistic support, India and Pakistan would probably be unable to defend themselves successfully, even in cooperation, against determined attack by Communist China or the USSR. However, such a Chinese Communist invasion of India or East Pakistan is highly unlikely because of the ruggedness of the terrain and the long supply lines which would have to be developed and maintained. A Soviet invasion of West Pakistan would encounter more favorable terrain and greater facility for providing adequate logistic support. It is not believed, however, that the Soviet Bloc would attack either Pakistan or India, except possibly in the event of general war.

46. Even with substantial Western military aid, Pakistan could probably furnish few if any troops for early employment outside the subcontinent in the absence of a comprehensive settlement with India. The shortage of qualified officer and administrative personnel and the lack of an adequate logistic organization would make difficult any sizable increase of present forces, which are now small even for their primary mission of defense of Pakistan's borders.

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47. Pakistan, however, will continue to be of potential military value to the West because of the strategically located airbases which it can provide.

RELATIONS AMONG THE STATES OF THE AREA

Relations between India and Pakistan

48. Relations between India and Pakistan have been strained ever since their establishment as independent nations in 1947. Their most important dispute has been over the disposition of Kashmir, where actual fighting between the two sides took place until halted by a UN cease-fire at the beginning of 1949. They have also come into serious conflict on economic and financial matters. Before partition, Pakistan's jute and cotton acreage and India's processing mills for these products were complementary sectors of a single economy. Since partition, however, both India and Pakistan have sought to become self-sufficient in the growing and processing of jute and cotton. The strains caused by this economic rivalry have been increased by the mutual imposition of restrictive trade controls and by the fact that India devalued its rupee at the time of British devaluation whereas Pakistan did not. Additional disputes have arisen over refugee properties, division of the assets and liabilities of the former British administration, treatment of religious minorities, and the division of water rights in the Punjab.

49. Over the course of time some differences have been successfully ironed out. A trade agreement was recently signed, for example, enabling Pakistan to obtain coal for its railroads and factories, and India to obtain jute for its Bengal mills, without the punitive duties formerly in effect. Partial agreement has been reached on handling the continuing migrations between East and West Bengal. Further progress will probably be made within the period of this estimate, particularly in view of the new Pakistan cabinet's apparent desires to clear up outstanding issues with India and the scheduling of early talks between the two prime ministers. A possible basis for solution of the important Punjab waters dispute is a proposal that the World Bank finance related development projects which would provide additional irrigation for both countries.

50. Although India-Pakistan relations are now better than at any time since partition, formal agreement on the pivotal Kashmir issue remains unlikely in the near future. India, which not only controls the most valuable parts of Kashmir but also claims that the state is already legally part of its territory, has little desire to risk its present position under the UN demilitarization and plebiscite proposal to which it has agreed in principle. It has therefore refused to proceed with demilitarization except on terms prejudicial to Pakistan, and has repeatedly hinted that partition offers the only solution. Pakistan, with the weaker bargaining position, appears more willing to compromise and may eventually become reconciled to its inability to shake India's grip on Kashmir; there are already some signs that Pakistani emotionalism on the subject is beginning to subside. Until such time as Pakistan is ready to accept the loss of Kashmir, however, the Pakistanis are unlikely to accept demilitarization and plebiscite terms which would stack the cards heavily in favor of confirming Indian control of Kashmir. If assured of a fair plebiscite in the Vale of Kashmir, which has a Moslem majority, they might accept partition of the remainder of the state. Since the Vale is the richest and most populous area of Kashmir, as well as its historical center, India would probably be unwilling to follow through with such a plebiscite.

51. Although the military forces of India and Pakistan continue to be lined up opposite each other, there appears to be little likelihood of a resumption of hostilities. India has virtually no incentive to risk a war. Despite past talk of a second round, Pakistan's leaders, particularly the military, appear to be convinced of the folly of attacking India's superior forces.

52. Conclusion of a military assistance agreement between Pakistan and the West would increase tension in the subcontinent but would probably not lead to war between India

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and Pakistan. If Pakistan's military capabilities should be significantly increased as a result of such a military agreement, Pakistan's leaders might consider an attack on India. However, Pakistan's numerically inferior forces would have to be very greatly strengthened to make such a venture militarily attractive. Moreover, we believe it unlikely that Pakistan would resort to war if it had reason to believe that the Western Powers would react sharply against such a move. India, for its part, is unlikely to start a preventive war.

Relations between Pakistan and Afghanistan

53. Relations between Pakistan and Afghanistan are strained. Ever since 1947 the Afghan Government has waged an unsuccessful propaganda and diplomatic campaign for the establishment of an autonomous "Pushtoonistan" for the several million Pathan tribesmen in Pakistan's northwest frontier area. The territory involved was once part of Afghanistan, and, after its annexation by British India in the late nineteenth century, its inhabitants continued to maintain close relations with their kinsmen across the border, who comprise the dominant Afghan tribal group. Pakistan's policy of extending economic aid and social improvements to the Pathan tribes within its borders has not only materially reduced their traditional restiveness but has also done much to gain their loyalty and to weaken their ties with Afghanistan.

54. Although this controversy is unlikely to result in war between Pakistan and Afghanistan, it may drag on indefinitely. The Afghan Government shows no sign of abandoning its campaign despite its apparent lack of success in arousing tribal feeling within Pakistan, and despite the fact that virtually half its external trade normally passes through Pakistan and has been intermittently subjected to Pakistan obstructions. Pakistan will almost certainly continue to hold that the status of the tribes is a domestic matter in which Afghanistan has no legitimate interest. In view of the basic nature of the tension between Pakistan and Afghanistan, any effective military collaboration between the two appears improbable.

Relations between India and Nepal

55. India and Nepal have very close cultural and economic ties. Despite its declared policy of non-interference in the internal affairs of other nations, India has actively intervened in Nepal's political affairs, particularly since the Chinese Communist invasion and occupation of Tibet. India has indicated that it would take military action against Chinese Communist aggression against Nepal. In the past two years the Government of India has sent a military mission and several teams of administrative advisers to Nepal. Should the political situation in Nepal deteriorate dangerously, India would probably intervene in an effort to maintain a stable and cooperative regime.

RELATIONS WITH STATES OUTSIDE THE AREA

India

56. India has pursued a policy of non-alignment in the struggle between the Soviet Bloc and the West. While India is a member of the Commonwealth and generally maintains friendly relations with the US, it has firmly dissociated itself from many of the diplomatic and military policies of the US and UK, and has laid great stress on preserving its independence of judgment and action. It vigorously opposes Western domination over colonial areas and is a leader in the Arab-Asian bloc in the UN. It has also sought to reduce existing East-West tensions, which it fears may result in a war that would eventually engulf India. Indian efforts in these directions also reflect a desire to exercise leadership and influence in world affairs.

57. Indian leaders believe that India has little to gain by taking sides in the quarrels of the great powers and much to lose if these quarrels lead to another world war. Although India's leaders generally recognize that Soviet policies are aggressive, they believe that under present circumstances the subcontinent itself is not a likely target of Communist military

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aggression and that the West overemphasizes the danger of such aggression elsewhere. India's often critical attitude toward the West stems in part from fear that Western efforts to counter the Soviet threat may touch off a war.

58. Indian apprehension concerning Western efforts to check the Communists has been particularly evident in the case of Communist China. India still believes that Communist China's leaders might be weaned away from their close tie with the USSR if the Western world gave convincing demonstrations of its willingness to live at peace with them. Although India is cooperating quietly in UN restrictions on shipments of strategic materials to Communist China, it did not vote to declare Communist China an aggressor in Korea and has continued to urge that Peiping must be provided with a way of backing out of the Korean war gracefully.

59. Despite past rebuffs from the Communist powers, India will probably continue its attempts to reach a *modus vivendi* with Communist China and will remain convinced of the importance of avoiding involvement in the East-West struggle. Indian leaders almost certainly regard recent Soviet and Chinese Communist gestures of conciliation as vindicating their views. Although further Communist military moves in Southeast Asia would greatly increase India's concern for its own security, India is unlikely to participate in Western defense preparations. In any event, India would do its utmost to resist Communist military attack on its own territory or on Nepal or Bhutan, but it would probably not assist in repelling Communist aggression against any other country except possibly Burma or Pakistan.

60. It is even more unlikely that India will give up its policy of non-alignment in favor of closer ties with the Soviet Bloc. India would avail itself of profitable opportunities for increased trade in non-strategic materials with the Soviet Bloc, but such trade opportunities are likely to be so limited as to involve virtually no risk of drawing India into economic dependence on the Bloc.

61. India will almost certainly maintain its present position of non-alignment in the East-West struggle, regardless of Western actions, so long as it does not believe its own interests to be directly threatened. The continuation of US economic aid would contribute to Indian economic stability and might encourage a more favorable attitude toward the US, but is unlikely to induce India to make a military commitment to the West. Similarly, withholding of US aid would probably not result in Indian alignment with the Soviet Bloc, although the Indian Communists and the Soviet Bloc might be able to benefit from the psychological and economic repercussions of such action. In the long run, despite its independent and neutral policies, India's general disposition will probably remain favorable to the West in the East-West struggle.

62. The inclusion of Pakistan in Western regional defense and military assistance arrangements would almost certainly evoke strong Indian resentment, not only because of its implications for the Kashmir dispute but also because it would tend to increase Soviet military interest in the subcontinent. Western efforts to counter the Indian reaction are unlikely to be very effective. Although India would probably feel compelled to build up its own military forces to maintain a balance with Pakistan, it would probably reject any Western offer of military aid on the same terms as that given Pakistan as involving unwanted military or political commitments. Offers to guarantee borders or other Western efforts to reassure India against possible Pakistan aggression would be unlikely to overcome India's resentment. However, we believe that India would wish to retain US economic assistance and to keep up at least minimal good relations with the Western Powers.

63. We believe that India will continue its efforts to establish a position as a leader among the emergent self-governing Asian states.

Pakistan

64. Pakistan, though a member of the Commonwealth, has refrained from formal commitments in the East–West conflict and has sometimes been highly critical of the West on

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such issues as French colonial policy in North Africa and the Western record in the Kashmir dispute. However, Pakistan's neutralism lacks the doctrinaire quality of India's. Pakistan's sympathies are definitely with the US and its allies. Its failure to align itself with the Western camp can be attributed in part to its preoccupation with the Kashmir problem and to its desire to win friends and supporters in the Moslem Middle East, but results mainly from the lack of any sufficiently attractive Western offer in return for its support.

65. If given sufficient inducement, Pakistan would probably be willing to authorize Western use of Pakistan air and naval bases in wartime and possibly Western development of such bases in peacetime. It might also be willing to provide troops for defense of the Middle East if assured that its Indian borders would be secure. Pakistan's leaders have recently displayed keen interest in being included in a Middle East defense organization, though there are indications that they have been motivated largely by a desire to strengthen Pakistan's military position vis-a-vis India. In entering into defense arrangements with the West, Pakistan would probably seek to drive as hard a bargain as possible and would almost certainly expect substantial military and economic assistance. It would probably also seek Western security guarantees and might ask for specific Western support in its disputes with India.

66. Pakistan will remain quick to recognize the danger to its own position implicit in increased Communist pressure or actual aggression against Iran, Afghanistan, or Southeast Asia. Even if Pakistan failed to obtain sufficient Western military aid to induce it to join a defense organization, it would probably be inclined to participate in UN efforts to resist aggression in these areas to the extent which appeared safe on the basis of existing relations with India.

Afghanistan

67. A basic Afghan foreign policy objective is to avoid trouble with the USSR. Although Afghanistan is friendly toward the West, it depends to a considerable extent on trade with the USSR and is highly vulnerable to Soviet military aggression. If presented with a sufficiently serious threat, it would probably feel compelled to comply with almost any demand the USSR might make of it.

68. In view of Afghanistan's dispute with Pakistan over Pushtoonistan, the Afghans would tend to resent the inclusion of Pakistan in Western defense arrangements, but it is unlikely that such action would significantly affect Afghan policies.

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